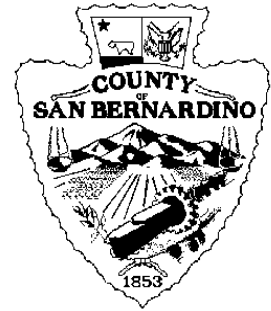


NEWS

From the County of San Bernardino

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Mountain, desert residents win \$3.2 million in gas rebates

In what might be an unprecedented ruling, the California Public Utilities Commission today awarded San Bernardino County customers of Southwest Gas \$3,185,430 in rebates, agreeing that Southwest Gas overcharged them during the winter of 2000-2001.

The rebates will appear on customers' gas bills in the form of a credit toward current and future charges. Each customer will get an amount in proportion to the amount of energy they consumed.

During the winter of 2000 many of Southwest Gas customers were subjected to abnormally high gas bills. The Board of Supervisors directed staff to investigate this and determine if Southwest Gas had unfairly billed county residents. The county determined that in fact some residents were unfairly charged and requested action from the PUC.

As a result, on June 28, 2001, the PUC launched an investigation into Southwest Gas Corporation's natural gas procurement practices from June 1, 1999 through May 31, 2001. The county, by authorization of the Board of Supervisors, joined as a party to the PUC investigation.

Southwest Gas provides natural gas to 140,000 customers in the High Desert and Big Bear Lake valley. Southwest Gas serves a total of 1,337,000 customers in California, Nevada, and Arizona.

Supervisor Dennis Hansberger, whose Third District includes the Big Bear Valley, conducted community meetings with residents and then made several visits to San Francisco and Sacramento with Special Districts staff to urge state regulators into action.

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"We got into this fight in order to protect our residents. I believe that with today's decision we can claim success. My only wish is that the rebate amount was higher," said Supervisor Bill Postmus, whose First District includes most of the High Desert.

On May 24, 2002, Administrative Law Judge Tim Sullivan and California Public Utilities Commissioner Carl Wood issued draft results of their investigations encouraged by a request by the County of San Bernardino to the PUC.

Both decided that Southwest Gas should not be allowed to recover millions of dollars in gas procurement costs and should rebate their customers the amount. Judge Sullivan concluded that Southwest Gas had overcharged its San Bernardino County customers \$3,185,430 while Commissioner Wood concluded that there was an overcharge of \$5,799,067.